

AGENDA
Meeting of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
550 Olive Street, Santa Barbara, CA 93101
Tuesday, January 20, 2004
8:30 a.m.

1. **Call to Order**
2. **Roll Call of the Board of Directors**
Chair John Britton; Vice Chair Olivia Rodriguez; Secretary Brian Fahnestock; and Directors: Dave Davis and Lee Moldaver
3. **Report Regarding Posting of Agenda**
4. **Approval of Prior Minutes**
The Board will be asked to waive the reading of, and approve the Minutes for the meeting of January 6, 2004.
5. **Cash Report** (attached)
The Board will be asked to approve the cash report from December 30, 2003, through January 12, 2004.
6. **Recess to Closed Session** (action may be taken)
The Board will also meet in closed session pursuant to Government Code §54956.8, conference with real property negotiators regarding the MTD Calle Real Property, APNs Book 59, Page 14, Parcels 4, 5 & 6, and Book 67, Page 23, Parcel 6, concerning price and terms of payment; agency negotiator Doug Large; other negotiating parties: Housing Authority of County of Santa Barbara, Martin Farrell Homes, and Investec Capital, Inc.
7. **Public Comment**
Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk **before the meeting is convened**, a "Request to Speak" form including a description of the subject you wish to address.
8. **General Manager/Staff Report**
 - A. Analysis and Projection of Passenger Fares - Controller Jerry Estrada (staff report attached)
 - B. Transit Center Revenue Generators - Community Relations Manager David Damiano and Marketing Manager, Lynnette Coverly (staff report attached)
 - C. Industrial Welfare Order #2-001(AB 98) Analysis – Controller, Jerry Estrada (staff report attached)
 - D. Individualized Marketing Grant – Community Relations Manager David Damiano
 - E. General Update – General Manager Sherrie Fisher
9. **Other Business and Committee Reports**
10. **Adjournment**

SPEAKERS: Any person wishing to speak to an item on the Agenda should complete and deliver to the Board Clerk a "Request to Speak" form **before the meeting is convened**. The Chair may limit the time allowed to speak.

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of January 20, 2004
For the Period December 30, 2003 through January 12, 2004

MONEY MARKET

Beginning Balance December 30, 2003 **\$1,232,547.92**

SB-325 (LTF)	585,013.07	
Passenger Fares	108,681.48	
Accounts Receivable	22,977.10	
Miscellaneous	10,019.71	
Interest Income	1,371.59	
Advertising & Prepaid	300.00	
Total Deposits		728,362.95

Workers Comp Trsf Dec 03	(107,513.57)	
ACH Tax Deposit	(125,862.86)	
Operations Transfer	(168,187.54)	
Payroll Transfer	(268,095.05)	
Total Disbursements		(669,659.02)
Ending Balance		\$1,291,251.85

CERTIFICATES OF DEPOSIT

Institution	Maturity	Rate	
SBB&T	2/24/04	1.15%	2,000,000.00
Total Certificates of Deposit			2,000,000.00

Total Cash and Investments as of January 12, 2004: **\$3,291,251.85**

COMPOSITION OF CASH BALANCE

Working Capital	2,197,418.69	
WC / Liability Reserves	1,093,833.16	
Total Cash Balance		\$3,291,251.85

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts**

Date	Company	Description	Amount
1/6/04	Borrayo, Manuel & Ruth	Health Insurance	289.70
1/7/04	Calles, Gilbert & Leandra	Health Insurance	384.83
1/7/04	City of SB - Passes/Tokens	Passes/Token Sales	4,000.00
1/7/04	Franzen, Mary	Health Insurance	229.35
1/7/04	SB County Schools	Passes/Token Sales	30.00
1/8/04	City of SB - Commuter Lot	Commuter Lot Shuttle Dec 03	13,792.82
1/8/04	Gold's Gym	Advertising on Buses	2,800.00
1/9/04	Davis, Brad	Health Insurance	368.67
1/9/04	Zeluck, Louis and Eleanore	Health Insurance	567.33
1/12/04	Helm, Warren	Health Insurance	224.70
1/12/04	Rubino, John & Eileen	Health Insurance	289.70
Total Accounts Receivable Paid During Period			\$22,977.10

Santa Barbara Metropolitan Transit District Accounts Payable

Check #	Date	Company	Description	Amount	Voids
77530	1/6/04	SCOLARI'S FOOD CO.	EMPLOYEE RELATIONS	85.00	
77531	1/9/04	AT&T WIRELESS	TELEPHONES	68.73	
77532	1/9/04	AT&T	TELEPHONES	1,510.92	
77533	1/9/04	A-AMERICAN GOLETA	STORAGE	203.00	
77534	1/9/04	ACE-ANA PROMOTIONS	LUGGAGE TAGS/GIFT JARS	808.90	
77535	1/9/04	BAUTISTA, JOSE	AD MOUNTING/DISMOUNTING	1,573.00	
77536	1/9/04	BLACK GOLD INDUSTRIES	OIL/ATF RECYCLING	330.00	
77537	1/9/04	BOWMAN DISTRIBUTION	SHOP SUPPLIES	195.76	
77538	1/9/04	BROWN & BROWN/WHILT FATCH &	BOD RENEWAL INS.	28,897.00	
77539	1/9/04	BROWNING-FERRIS IND	WASTE DISPOSAL	33.00	
77540	1/9/04	CALIFORNIA ELECTRIC SUPPLY, INC.	BUS PARTS & SHOP SUPPLIES	51.72	
77541	1/9/04	CAR PARTS OF SANTA BARBARA	BUS PARTS & SUPPLIES	336.89	
77542	1/9/04	CARPINTERIA VALLEY CHAMBER OF	MEMBERSHIP DUES	143.00	
77543	1/9/04	CHANNEL CITY ENGINEERING DBA	BUS PART REPAIRS	205.00	
77544	1/9/04	CIGNA	STAFF 401K	19,781.13	
77546	1/9/04	COAST MACHINE & SUPPLY, INC.	BUS PARTS	3,583.90	
77547	1/9/04	COAST CLUTCH & BRAKE DBA	BUS PARTS	540.29	
77548	1/9/04	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	190.46	
77549	1/9/04	CINTAS	FIRST AID SUPPLIES	89.70	
77550	1/9/04	CORPORATE EXPRESS INC.	OFFICE SUPPLIES	614.00	
77551	1/9/04	CONTROL CHIEF	REPLACEMENT TRANSMITTER	189.68	
77552	1/9/04	COX COMMUNICATIONS	INTERNET & CABLE TV	42.95	
77553	1/9/04	CUMULUS BROADCASTING	MEDIA AD	600.00	
77554	1/9/04	COVERALL OF MID-STATE CALIF. INC.	JANITORIAL SUPPLIES/SERVICE	2,199.86	
77555	1/9/04	DONS INDUSTRIAL	BUS PARTS/SHOP SUPPLIES	31.98	
77556	1/9/04	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE/LUNCHEON	400.00	
77557	1/9/04	DHL WORLDWIDE EXPRESS, INC.	FREIGHT CHARGES	63.23	
77558	1/9/04	EASY LIFT TRANSPORTATION, INC.	ADA SUBSIDY	28,889.00	
77559	1/9/04	ERGOMETRICS	DRIVER TEST SCORING	41.07	
77560	1/9/04	GE GROUP LIFE ASSURANCE	LIFE INSURANCE	933.68	
77561	1/9/04	GIBBS INTERNATIONAL TRUCKS	BUS PARTS/SUPPLIES	4,272.81	
77562	1/9/04	GILLIG CORPORATION	BUS PARTS	871.24	
77563	1/9/04	GOLETA WATER DISTRICT	UTILITIES	38.90	
77564	1/9/04	GOLETA VALLEY CHAMBER OF	MEMBERSHIP DUES	135.00	
77565	1/9/04	HAHN, STEPHEN	REIMBURSEMENT	522.42	
77566	1/9/04	HOLLEY ENTERPRISES	BUS PARTS	815.45	
77567	1/9/04	HOME IMPROVEMENT CTR.	FACILITY SUPPLIES	45.85	

Check #	Date	Company	Description	Amount	Voids
77568	1/9/04	HYDREX PEST CONTROL	FUMIGATION	58.00	
77569	1/9/04	JERRY THE PLUMBER	PLUMBING	85.00	
77570	1/9/04	JOHNS JR., GARY	CONTRACT LABOR	300.00	V
77571	1/9/04	KINKO'S INC.	PRESENTATION BOARDS	96.96	
77572	1/9/04	McCARRON INDUSTRIES	BUS PARTS	492.78	
77573	1/9/04	MIKE CUEVAS GARDENING SERVICE	LANDSCAPE MAINTENANCE SERVICE	350.00	
77574	1/9/04	MGB INDUSTRIAL SUPPLY	BUS & SHOP SUPPLIES	418.90	
77575	1/9/04	MISSION LINEN UNIFORM SERVICE	UNIFORM & LINEN SERVICE	2,281.00	
77576	1/9/04	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	93.00	
77577	1/9/04	MONTECITO VILLAGE ELECTRIC	INSTALL VACUUM CONNECTORS	65.00	
77578	1/9/04	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	911.95	
77579	1/9/04	MUZICRAFT	TC CONTRACT MAINTENANCE	35.00	
77580	1/9/04	NATIONAL INTERSTATE INS. CO.	LIABILITY INSURANCE	12,909.36	
77581	1/9/04	NELSON, BARBRA	REIMBURSEMENT	282.62	
77582	1/9/04	NEXTEL COMMUNICATIONS	CELL PHONES	729.50	
77583	1/9/04	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	1,356.59	
77584	1/9/04	OFFICEMAX	FLYER COPIES	747.07	
77585	1/9/04	PETRO-DIAMOND INC.	DIESEL FUEL	26,109.84	
77586	1/9/04	PETTY CASH- HAGGERTY J.	MISC. PURCHASES	424.21	
77587	1/9/04	POINDEXTER, CAREY	REFUND - HEALTH INSURANCE	270.00	
77588	1/9/04	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	21.12	
77589	1/9/04	REPUBLIC ELEVATOR, INC	ELEVATOR TEST & MAINT. SERV.	75.31	
77590	1/9/04	SB LOCKSMITHS, INC.	LOCK REPAIR & REKEY	84.16	
77591	1/9/04	S B INDUSTRIAL MEDICAL GROUP	MEDICAL EXAMS	1,277.00	
77592	1/9/04	SAS BAY ALARM CORP.	CONTRACT MAINT.	159.00	
77593	1/9/04	SB STAFFING CORP.	TEMPORARY RECEPTIONIST	1,227.62	
77594	1/9/04	SERVICE MASTER OF SANTA	TC JANITORIAL SERV./SUPPLIES	485.88	
77595	1/9/04	SIGN EXPRESS	EXTERIOR BUS SIGNS	1,677.67	
77596	1/9/04	SM TIRE, CORP.	BUS TIRE MOUNTING/SV TIRES	186.50	
77597	1/9/04	SMARDAN-HATCHER CO.	REPAIR TC RESTROOM	43.36	
77598	1/9/04	SMART & FINAL	OFFICE SUPPLIES	91.16	
77599	1/9/04	SO. CAL. EDISON CO.	UTILITIES	6,914.88	
77600	1/9/04	SOUTHERN CALIFORNIA GAS	UTILITIES	50.27	
77601	1/9/04	SURFACE TECHNOLOGY COMPANY	BUS CLEANING SUPPLIES	429.14	
77602	1/9/04	SB CITY OF-REFUSE/WATER	UTILITIES	1,139.69	
77603	1/9/04	TELCOM, INC.	RADIO SERVS. & MAINT.	2,728.80	
77604	1/9/04	T-MOBILE	CELL PHONES	175.32	
77605	1/9/04	UNIFORM CONNECTION INC.	UNIFORMS	1,119.82	
77606	1/9/04	VALLEY DETROIT DIESEL ALLISON	BUS PARTS	847.61	
77607	1/9/04	VERIZON CALIFORNIA	TELEPHONES	1,862.77	

Check #	Date	Company	Description	Amount	Voids
77608	1/9/04	VORTEX INDUSTRIES	REPAIR SHOP DOORS	223.00	
77609	1/9/04	WILSON PRINTING INC.	LAMINATING SERVICES	16.16	
77610	1/9/04	JOHNS, GARY	PETTY CASH	300.00	
				168,487.54	
			Current Cash Report Voided Checks:	300.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	\$168,187.54	

BOARD OF DIRECTORS REPORT

MEETING DATE: JANUARY 20, 2004

AGENDA ITEM #: 8A

TYPE: INFORMATIONAL

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: FARE STRUCTURE CHANGE ANALYSIS

DISCUSSION:

Background

On October 20, 2003, MTD implemented a new fare structure in accordance with the policy amended by the board of directors in July. The changes included the introduction of a 30-day unlimited use pass as well as an increase in the cash fare. The cost of MTD's existing 10-ride passes remained unchanged resulting in a discount from the cash fare. The cash fare change resulted in an increase of 25 cents for adults and 10 cents for seniors and the disabled.

MTD's bulk-pass programs with UCSB and SBCC both include language that automatically increases the amount charged per student if the adult cash fare rises. Both agreements require the institutions to charge a fixed amount for every student that enrolls each quarter/semester. Students simply flash their valid student ID cards as fare on MTD service (excluding the Downtown Waterfront Shuttle). Because the fare structure changes took effect in October, these institutions will increase fees in the next quarter/semester.

Trends

Year-to-Date

As of December 31, 2003, MTD's fiscal year 03-04 passenger fares increased \$174,363 or 9.9% versus prior year receipts; this includes two full months of fare structure changes. During the same period, ridership increased 90,834 or 4.9%.

Passenger Fares & Ridership			
Year-to-Date Fares			
FY03-04	FY02-03	Variance	%
1,927,482	1,753,119	174,363	9.9%
Year-to-Date Ridership			
FY03-04	FY02-03	Variance	%
1,933,301	1,842,467	90,834	4.9%

July through October versus November and December

Review of November and December versus July through October provides a better insight into how the changes are affecting MTD's revenues and ridership. During the first four months, July through October, fares increased \$81,021 or 6.4%, while ridership increased by 6.9% versus same period prior year. In November, the first full month of

the fare structure changes, fares increased \$54,100 or 23.3%, while ridership was flat. December fares increased \$39,242 or 15%, while ridership increased 1%.

While MTD has not experienced a drop in ridership versus prior year figures the rate at which ridership was increasing has been impacted by the changes. In projecting the fare increase impact, MTD had anticipated a decrease in ridership of approximately 6% from prior year results.

Passenger Fares & Ridership				
	Fares			
	FY03-04	FY02-03	Variance	%
July - October	1,339,736	1,258,714	81,021	6.4%
November	286,723	232,623	54,100	23.3%
December	301,024	261,782	39,242	15.0%
	Ridership			
	FY03-04	FY02-03	Variance	%
July - October	1,366,004	1,277,977	88,027	6.9%
November	283,810	283,812	(2)	0.0%
December	283,487	280,678	2,809	1.0%

On average, fares increased by \$46,671 per month during November and December. If that trend continued over a twelve month period it would result in an additional \$560,052 annually. However, the table below illustrates certain trends that may decrease the likelihood of this result.

A closer examination of the receipts identifies an important trend to monitor, i.e. method of payment. From a revenue generating perspective, an increase in cash receipts would be ideal. However, the introduction of the 30-day pass coupled with the discounted 10-ride passes decreases the likelihood that riders will elect to pay cash. Despite the overall increase in fares, December's cash receipts were lower (\$5,579 or negative 2.3%) than prior year returns; fortunately pass sales more than offset this decrease in cash fares.

Cash Fares vs. Pass Programs

	Jul - Oct			
	FY 03-04		FY 02-03	
Cash	1,546,106	80.2%	1,446,989	82.5%
Pass Programs	<u>381,377</u>	19.8%	<u>306,130</u>	17.5%
	1,927,482		1,753,119	
	November			
	FY 03-04		FY 02-03	
Cash	237,000	82.7%	197,403	84.9%
Pass Programs	<u>49,723</u>	17.3%	<u>35,220</u>	15.1%
	286,723		232,623	
	December			
	FY 03-04		FY 02-03	
Cash	231,871	77.0%	237,450	90.7%
Pass Programs	<u>69,153</u>	23.0%	<u>24,333</u>	9.3%
	301,024		261,782	

Pass Programs

MTD discounted 10-ride passes as a means of minimizing the effect of the fare structure changes. Additionally, a 30-day unlimited use pass was introduced. Below is a table that summarizes the results of the 30-day pass:

30-Day Pass Program Analysis (October 20 - December 20)

	# of Passes Used		# of Day's Used	Avg. Psgr. Daily Use	Projected Psgr Use per Pass	Projected Avg. Loss per Pass	Projected Loss
Adult 30-Day Pass	543	31,691	21.12	2.76	58	(\$32.08)	(\$17,417.57)
Student 30-Day Pass	87	3,538	15.46	2.63	41	(8.70)	(757)
Senior 30-Day Pass	234	11,331	16.70	2.90	48	(11.40)	(2,667)
Special 30-Day Pass	215	9,803	16.32	2.69	44	(9.40)	(2,022)
	1079	56,363				(\$21.19)	(\$22,863.49)

Projected Annual Loss (Gross):	(\$137,181)
Less Transfer Adjustment:	<u>21,400</u>
Projected Annual Loss (Net):	(\$115,781)

As expected, the 30-day pass program, due to the low cost, results in a loss of potential cash fares. The analysis above evaluates the amount paid for a pass versus the cash fare for that particular category. For example, an adult pass costs \$41 while the applicable cash fare is \$1.25. It is estimated that the annual cost of the program would be \$116,000 after adjusting for transfers. The transfer adjustment is applied because transfers are not issued to riders that use a 30-day pass. The average transfer use was 15.6% during the same period prior year which accounts for the \$21,529 adjustment.

Due to the short period since implementation, staff pulled ridership data from October 20, through December 20, and for those passes which had not completed their cycle, usage was projected based on actual use to date.

Transfers

Transfers have dropped by 25,110 or 15.1% during November and December. This is a result of the introduction of the 30-day pass and changes implemented by MTD relating to its transfer policy.

Historical Transfer Usage

Validation:	Hybrid GFI/Driver Combination	GFI System Installed (Oct 2001)		Driver Validation			
	Estimated FY 03-04	FY 02-03	FY 01-02	FY 00-01	FY 99-00	FY 98-99	FY 97-98
Transfers	992,314	1,102,571	1,089,221	1,192,325	1,211,292	1,167,774	1,154,701
Change:	-10.0%	1.2%	-8.6%	-1.6%	3.7%	1.1%	

Summary

Two months is not a statistically sufficient amount of time to properly evaluate the effects of the fare structure changes. The intent of the discounted pass program was to offset the impact of the fare increase on the truly needy and it does appear as though a significant amount of MTD's riders are electing to opt for the pass program.

BOARD OF DIRECTORS REPORT

AGENDA DATE: January 20, 2003

DEPARTMENT: Marketing

PREPARED BY: Lynnette Coverly

David Damiano

AGENDA ITEM #: 8B

TYPE: INFORMATIONAL

Signature

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: REVENUE PROGRAMS AT THE TRANSIT CENTER

RECOMMENDATION:

This is an informational update on the progress of three revenue-generating programs currently (or soon to be) implemented at MTD's Transit Center.

DISCUSSION:

During these tight fiscal times, the MTD marketing department began looking at creative ways to provide passenger services and amenities at the Transit Center while generating revenue on behalf of the District.

The following two programs are currently underway:

- **Snack Vending:** On September 15, 2003 MTD contracted with Rocket Vending to provide snacks and sodas at the Transit Center via two vending machines.

The machines are situated inside the center on each side of the four-paneled information kiosk. The machines include signage reminding passengers of MTD's no drinking/food policy on buses. As an added benefit, the soda machine displays an oversize, back-lit image of MTD's new system map as a resource for passengers.

Rocket Vending provides MTD with a 10% commission on gross sales:

- October commission: \$254.00
- November commission: \$282.20

- **ATM:** On December 19, 2003 MTD contracted with Santa Barbara Bank & Trust to provide one automatic teller machine (ATM) at MTD's Transit Center, as a useful service for passengers.

The ATM will be installed soon and will include opportunities for passengers to purchase postage stamps in addition to making cash withdrawals.

The commission structure is as follows:

- MTD will receive a minimum \$500 monthly guarantee;
- An additional \$500 per month for cash transactions between \$1,500 and \$2,500;
- And an additional \$1,000 for transactions over \$2500 per month.

Therefore, MTD has a maximum potential of \$2,000 per month based on fees collected by Santa Barbara Bank & Trust.

NEXT STEP: After a 30-day trial period the Transit Center ATM will begin to dispense 30-day, full-fare passes with no service fee to the purchaser.

In the next few months, Santa Barbara Bank & Trust will be installing new software that will enable all ATMs on the South Coast to distribute 30-day, full-fare bus passes.

The following program is to begin soon:

- **Public Internet/Information Kiosk:** MTD was approached by Hot Spots Travel, Inc. to provide a public on-line kiosk for MTD customers at the Transit Center.

The on-line kiosk, which is currently available at Hot Spots coffee house and at some local hotels, provides Internet access at a fee to the user (20¢ per minute). The user pays for this service by inserting a credit card or cash directly into the machine.

Benefits for MTD include:

- FREE customer access to MTD's website as a way to obtain route and schedule information without having to wait for the next available TC Advisor.
 - While accessing other websites requires the user to pay a fee, MTD's website will be accessible at no charge.
- FREE DSL wiring and monthly service fees to enable the public kiosk AND employee computers for on-line capabilities.
 - This will equip the Transit Center employees with access to MTD's website to better assist customers.
 - All necessary firewall protections will be in place so as to prevent access to inappropriate websites.
- Accessibility of machine via a low-profile housing unit that is ADA approved.

The Santa Barbara Metropolitan Transit District
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www.sbmtd.gov

While still in negotiations, Hot Spots Travel, Inc. will likely provide MTD with a 20% commission on Gross sales with a minimum \$350 monthly guarantee. Anticipated commissions are \$500-\$1,000 per month.

NEXT STEP: Obtain signed contract, upon MTD's legal review, that meets the expectations of both parties. Then install the public on-line kiosk.

BUDGET/FINANCIAL INFORMATION:

All three revenue-generation programs have the potential of bringing in approximately \$1,250 per month (vending: \$250 average; ATM: \$500 minimum; kiosk: \$500 minimum).

The anticipated \$15,000 annual revenue from these programs is positioned as an on-going NEW revenue stream that will positively impact MTD's budget and thus its passengers.

BOARD OF DIRECTORS REPORT

MEETING DATE: JANUARY 20, 2004

AGENDA ITEM #: 8C

TYPE: INFORMATIONAL

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

**SUBJECT: INDUSTRIAL WELFARE COMMISSION ORDER NO. 9-2001
REGULATING WAGES, HOURS AND WORKING
CONDITIONS IN THE TRANSPORTATION INDUSTRY**

DISCUSSION:

Background

In late 2003, the Industrial Welfare Commission (IWC) amended order No 9-2001 concerning wages, hours and working conditions in the transportation industry with an effective date of July 1, 2004. Of concern to the Santa Barbara Metropolitan Transit District (MTD) are items 11 and 12 regarding meal and rest breaks. The order requires transit operators to pay ten (10) minute rest breaks for each four (4) hour increment of work. Additionally, an unpaid meal break of thirty (30) minutes is required for each five (5) hour increment of work. Failure to adhere to the new break rules would cost the transit operator one (1) hour of pay for each infraction.

The order exempts public transit operators' with valid collective bargaining agreements; MTD has a valid collective bargaining agreement. However, the order stipulates that the agreement must expressly address the issue of meal and rest breaks. Currently, driver breaks are paid but MTD's agreement with the International Brotherhood of Teamsters Union – Local 186 (Union) does not address the issue as ordered by the IWC.

MTD's agreement with the Union terminates June 30, 2004. If a compliant collective bargaining agreement is not completed by July 1, 2004 MTD would be required to comply with the order as stipulated.

Status

Order No 9-2001 is on hold as Governor Schwarzenegger placed a freeze on all new regulations that had not yet taken effect. Nevertheless, preparations for its implementation need to begin now as it would impact work shifts and service schedules. MTD's planning staff with some assistance from finance is developing options for management's consideration.

Impact

The most cumbersome aspect of the order is the requirement for an unpaid thirty (30) minute break which must free the driver from all work related responsibilities. By

modifying work shifts and the schedule the requirements of order No. 9-2001 can be met if a new collective bargaining agreement is not in place by July 1, 2004. The meal break provision may require MTD to split the majority of its work shifts. Ideally, MTD and the Union will reach a new accord prior to July 1, 2004 which addresses meal and rest breaks and avoids the need to significantly modify work shifts.

Adjusted Work Shifts

	Additional Rest Breaks	Avg. Cost per Break	Daily Cost	Estimated Annual Cost
Weekdays	182	\$4.25	\$773	\$196,297
Saturdays	100	\$4.25	\$425	22,930
Sundays	80	\$4.25	\$340	19,023
	362			\$238,250

The table above estimates the absolute minimum annual cost of providing additional ten (10) minute rest breaks. It does not reflect the cost associated with splitting existing work shifts to accommodate the meal break requirement. MTD has approximately ninety-one (91) unique weekday work shifts of which thirty seven (37) are split. Splitting the remaining work shifts may result in additional costs such as relief vehicles, relief drivers and schedule coordination.

Staff also evaluated the financial impact of the penalties if no actions were taken and it was determined that the amount was so excessive that this was not a viable option.